



Stores Purchase Supply of CI Flanged Sluice Valves to Kerala Water Authority by M/s. Hindustan Valves, Kadamthala, Howrah- Breach of Contract- Non-Supply of materials-blacklisting of the firm-Orders issued.

STORES PURCHASE(B) DEPARTMENT

G.O.(Rt) 69/2001/SPD. dated, Thiruvananthapuram, 11.12.2001.

- Read:-
1. Letter No. KWA/HO/SP-6097/97/Valves(d/f)Hindustan dated 17.11.97 of Kerala Water Authority addressed to M/s. Hindustan Valves, Kadamthala, Howrah.
 2. Letter No. HV/CE/KWA/TK/98-99 dated 17.12.98 from M/s. Hindustan Valves, Kadamthala, Howrah to Chief Engineer(P,S&GL), Kerala Water Authority, Tvpm.
 3. Letter No. KWA/HO/SP-6097/97/Valves(D/F)Hindustan dated 22.5.99 from the Managing Director, Kerala Water Authority, to the Secretary to Govt., Irrigation (WSE) Department.
 4. Showcause Notice No. 2357/B2/2001/SPD dated 21.8.2001 from the Principal Secretary to Govt., to M/s Hindustan Valves, Kadamthala, Howrah.

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Central Circp. TCR	
HA	<i>[Signature]</i>
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SS	<i>[Signature]</i>
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ORDER

Kerala Water Authority in their letter read as first paper above entered into rate contract with the firm M/s.Hindustan Valves, Kadamthala, Howrah for the supply of various sizes of CI flanged Sluice Valves for one year from the date of contract, that is upto 16.11.98. The estimated cost of the purchase was approximately Rs.45 lakhs and supply orders were placed for Rs. Rs. 44.97 lakhs. A total of 30 numbers of supply orders in 3 lots were issued to the firm for supplying the items to various divisions of Kerala Water Authority within the Rate Contract period. The first period of 10 Nos. of supply order was issued to the firm on 26.8.98, second lot of 11 Nos. of supply order was on 15.10.98 and third lot of 9 Nos. on 10.11.98. The original delivery period of the first, second and third lots of supply order expired on 17.11.98, 6.1.99 and 1.2.99 respectively.

The firm did not supply even a single item and also not respond to the supply orders till 17.12.98. In the letter read as 2nd paper the defaulted firm M/s.Hindustan Valves, Howrah expressed their inability to supply the items ordered for, since the factory had been closed on 1.10.98 due to the dispute between the partners. It is a very serious matter that the firm has not responded even to the first supply order dated 25.8.98 till 17.12.98 and the firm furnished a reply on 17.12.98 only after the inspecting officer of Kerala Water Authority visited the factory on 5.12.98. It is reported that the firm had not manufactured even a single item out of the 30 Nos. of supply orders placed with the firm. The firm has violated the terms and conditions of rate contract and failed to supply the entire materials ordered with the firm during the rate contract period. This has caused much inconvenience and huge financial loss to Kerala Water Authority.

The above action of the firm is highly irregular which warrants deterrent action against them. As there was a breach of contract on the part of the firm, Government issued a show cause notice to firm, as per the 4th paper read above, to show cause notice, if any within fifteen days from the date of receipt of the notice why penal action should not be taken against the firm for the alleged breach of contract. But the postal Authority has returned the Notice, addressed to the firm stating "Abolished on 1.9.2000".

Government have examined the case in detail. Kerala Water Authority has recommended for the blacklisting of the firm for 3 years for breach of contract.

In the circumstances, Government in exercise of the powers conferred under para 95 of the Stores Purchase Manual decided to blacklist the firm M/s.Hindustan Valves, 37, Ichapur Road, Kadamthala, Howrah, for a period of three years from the date of this order during which period Government Departments, Statutory Bodies, Corporation, Autonomous bodies and Public Sector Undertakings

under Government of Kerala will not enter into OR involve any business dealings with the aforesaid firm or its proprietors and they order accordingly.

By order of the Governor,
(Sd)

K.GOPA KUMAR,
Joint Secretary.

To
All Heads of Departments/Offices.

Endorcement on P3-5087/2002 dated: 3.5.2002.

Copies forwarded to all Conservator of Forests and all Divisional Forest Officer's for information and necessary further action.

K. Gopalam V

For Chief Conservator of Forests(D).

